(c) whether the Euro-move is likely to affect India's exports to European Union Adversely; if so, to what extent?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI DIGVIJAY SINGH): (a) Yes, Sir. Under their 'Everything But Arms' (EBA) proposal, the European Union has opened up duty free access to exports from 48 Least Developed Countries. This initiative is affective from 5.3.2001, with provision for longer transition period in case of sugar, rice and bananas.

(b) India's exports to European Union countries during 1999-2000 and 2000-2001 amounted to US $ 9,337.41 million and US $ 10,362.58 million respectively.

(c) The EVA initiative could be an opportunity to Indian trade and industry for setting up of new production capacities and investment opportunities in LDC countries.

Objectives behind privatisation of Defence sector

1724. SHRI B.J. PANDA: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether Government have opened up private sector participation for defence equipment production;

(b) whether foreign direct invesment has also been allowed in the production of defence related equipment;

(c) if so, the main objective behind making these liberalisation in the case of defence production; and

(d) the position as on date?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (DR. RAMAN): (a) Yes, Sir.

(b) Yes, Sir. Foreign direct investment up to 26 per cent has been allowed in the defence industry sector subject to licensing and security requirements.

(c) and (d) The new policy dispensation aims at harnessing capital, knowledge and technology available in the private sector to supplement Government's effort towards attaining self reliance in this highly sensititve sector.